

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 IO-13 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 SAJ-01 AID-05 COME-00 EB-07 FRB-03 TRSE-00

XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 STR-04

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FM AMEMBASSY MOSCOW

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INFO AMEMBASSY BELGRADE

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AMEMBASSY PRAGUE

AMEMBASSY SOFIA

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AMEMBASSY WARSAW

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E.O. 11652: NA

TAGS: ETRD, EFIN, ENRG, EEWT,UR, JA, US

SUBJECT: USSR GETS ADDITIONAL CREDITS FROM JAPAN

REF: 1975 MOSCOW 9960

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1. SUMMARY: JAPAN HAS GRANTED THE USSR AN ADDITIONAL \$450 MILLION CREDIT FOR THE PURCHASE OF SIX LARGE PLANTS. IN AN UNUSUAL DEVELOPMENT BOTH PRAVDA AND TASS ANNOUNCED THE SIGNING OF THE DOCUMENTS IN TOKYO AND PROVIDED DETAILS ON THE PROJECTS, A MOVE WHICH BOTH REITERATES TO SOVIET AUDIENCES THE VALUE OF FOREIGN PLANTS AND REMINDS FOREIGN BUSINESSMEN THAT THE USSR CAN STILL GET CREDITS. END SUMMARY.  
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2. JULY 29 PRAVDA ANNOUNCED THE SIGNATURE IN TOKYO ON JULY 28 OF "INTERGOVERNMENTAL" DOCUMENTS (MEZHPRAVITEL'STVENNYE DOKUMENTY) PROVIDING THE SOVIET UNION WITH CREDITS FOR THE PURCHASE IN JAPAN OF UPWARDS OF 450 MILLION DOLLARS WORTH OF AMMONIA, SYNTHETIC RUBBER, AND GAS PROCESSING PLANTS. IN ACCORDANCE WITH THE AGREEMENT, EXIM BANK OF JAPAN AND TWENTY COMMERCIAL BANKS ARE TO PROVIDE THE USSR WITH LONG-TERM (NFI) BANK CREDIT FOR THE PURCHASE OF SIX LARGE-SCALE INDUSTRIAL ENTERPRISES. THE JAPANESE ARE TO BUILD TWO AMMONIA PLANTS IN PERM (RFSSR) WITH AN OUTPUT OF 450 THOUSAND TONS OF FERTILIZER A YEAR; IN YEREVAN (ARMENIAN SSR), A PLANT CAPABLE OF PRODUCING 50 THOUSAND TONS A YEAR OF POLYCHLOROPRENE (SYNTHETIC) RUBBER; AND IN WESTERN SIBERIA (TYUMEN OBLAST'), THREE PLANTS FOR PROCESSING ASSOCIATED OIL GAS POPUTNYY NEFTYANOY GAZ).

3. IN AN INTERVIEW WITH TASS THE HEAD OF THE SOVIET DELEGATION, DEPUTY MINISTER OF FOREIGN TRADE ALKHIMOV, SAID THE LAST THREE PLANTS WOULD MAKE IT POSSIBLE TO PRESERVE AND USE 10,000 MILLION CUBIC METERS OF NATURAL GAS A YEAR, WHICH IS EQUIVALENT IN CALORIFIC CAPACITY TO TEN MILLION TONS OF OIL. TASS VESTNIK (11-29.7.76) ADDED THE FOLLOWING DETAILS: THE SET OF 3 PLANTS (ONE DEPENDS ON THE OTHER TWO) WILL PRODUCE A TOTAL OF 8,000 MILLION NORMAL CUBIC METERS OF GAS YEARLY FOR THE PRODUCTION OF BENZENE AND OTHER BY-PRODUCTS. JAPAN STEEL WORKS IS TO SUPPLY TO TECHNOLOGICAL EQUIPMENT, AND IT IS INTENDED FOR USE AT TEMPERATURES OF DOWN TO MINUS 50 DEGREES CELSIUS. END UNCLASSIFIED.  
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4. JAPANESE COUNSELLOR AKIHO INFORMED EMBOFF JUNE 30 THAT THE \$450 MILLION IS ALL NEW CREDIT AND THAT THIS BRINGS TOTAL JAPANESE CREDITS OUTSTANDING TO USSR TO ABOUT \$2,000 MILLION. ALTHOUGH PRAVDA SPOKE OF TWO AMMONIA PLANTS, AKIHO SAID THE PRESENT CONTRACT CALLS FOR MITSUI AND TOYO ENGINEERING TO BUILD ONE PLANT VALUED AT ABOUT \$110 MILLION. HE POINTED OUT THAT THE SAME COMPANY HAD SIGNED CONTRACTS FOR TWO PLANTS EARLIER; ONE IN JULY 1975 AND ONE IN MARCH 1976, EACH WORTH ABOUT \$238 MILLION (SEE ALSO REFTTEL).

5. THE ARTIFICIAL RUBBER PLANT IS VALUED AT ABOUT \$110 MILLION AND THE CONTRACTOR IS NISHIO IWAI AND KOBE SEIKO. THE GAS PROCESSING PLANTS ARE WORTH ABOUT \$270 MILLION. THEY ARE TO BE BUILT BY NICHIMEN AND NIHON SEIKO, AND FLUOR IS ASSOCIATED WITH THEM IN THE DEAL.

6. COMMENT: SINCE IT IS RATHER UNUSUAL FOR PRAVDA TO CARRY AN ARTICLE ANNOUNCING THAT THE USSR HAS SOUGHT AND RECEIVED FOREIGN CREDITS, WE SPECULATE THAT ONE MOTIVE MAY HAVE BEEN TO REMIND SOVIET READERS OF THE VALUE OF FOREIGN PLANTS FOR DEVELOPING ECONOMY AND ALSO TO POINT OUT -- VIA TASS - TO FOREIGN AUDIENCES THAT THE SOVIET UNION CONTINUES TO HAVE NO PROBLEMS IN GETTING FOREIGN CREDITS. END LIMITED OFFICIAL USE. STOESEL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CREDIT AGREEMENTS, DEVELOPMENT PROGRAMS, INDUSTRIAL PLANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**TAGS:** ETRD, EFIN, ENRG, EEWT, UR, JA, US  
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